

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



August 29, 2005

Regulation Package #0404-02

CDSS MANUAL LETTER NO. CFC-05-01

TO: HOLDERS OF THE CONFIDENTIALITY, FRAUD, CIVIL RIGHTS AND STATE  
HEARINGS MANUAL, DIVISION 22

Regulation Package #0404-02

Effective 8/5/05

Sections 22-071 and 22-305

This manual letter has been posted on the Office of Regulations Development website at  
[http://www.dss.cahwnet.gov/ord/Confidenti\\_615.htm](http://www.dss.cahwnet.gov/ord/Confidenti_615.htm).

These regulations implement and make specific AB 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statute of 2002), and AB 1402 (Chapter 398, Statutes of 2003) which provides authority for the Quarterly Reporting/Prospective Budgeting (QR/PB) reporting system. This regulation package contains a tandem regulation format to allow for the operation of both Monthly Reporting/Retropective Budgeting (MR/RB) and QR/PB during counties' staggered implementation of Quarterly Reporting (QR) in accordance with the QR/PB Director's Declaration as specified in Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002). This format is necessary to maintain current monthly reporting (MR) regulations for those counties that are pending QR implementation and will remain in place until all counties have implemented the QR system.

In current regulations under MR/RB, CalWORKs recipients are required to report income, household composition, and eligibility circumstances on a monthly income/eligibility report. Furthermore, recipient income is budgeted on a retrospective basis using actual income from two months prior to determine the current month's CalWORKs cash grant.

In proposed regulations QR/PB will require recipients to submit an income/eligibility report once per quarter. Recipient's eligibility and cash aid will be determined for a three-month quarterly period based on information provided by the recipient in a quarterly report. Income will be budgeted on a prospective basis using income reasonably anticipated to be received during the QR Payment Quarter. Eligibility and cash aid will be "frozen" for the duration of the quarter, except mid-quarter adjustments may occur under specified circumstances. Circumstances in which eligibility and cash aid may be adjusted during the quarter include: 1) Recipient mid-quarter reports which result in an increase in cash aid; 2) Recipient mandatory mid-quarter reports which result in a decrease in cash aid or a discontinuance from aid; 3) County initiated actions which result in a decrease in cash aid or a discontinuance from aid.

These regulations were considered at the Department's public hearing held on August 28, 2004.

## FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Confidentiality, Fraud, Civil Rights, and State Hearings Manual changes was CFC-04-02.

### Page(s)

130 and 131  
175.1 and 175.2

### Replace(s)

Pages 130 and 131  
Pages 175.1 and 175.2

Attachments

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<b>22-069</b>	<b>COUNTY WELFARE RESPONSIBILITY</b>	<b>22-069</b>
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- .1 Each county shall furnish to the State Hearings Division the name of an individual who, in coordination with the Chief Administrative Law Judge, is responsible for discharging the requirements of Sections 22-069 through 22-078.

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- .11 Sections 22-069 through 22-078 describe the responsibilities of the county in the state hearing process.

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- .12 The county responsibility shall include:
- .121 Investigation of the case and assistance to the claimant prior to the hearing; and
  - .122 Presentation of the county's position during the hearing; and
  - .123 Compliance with state hearing decisions.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553 and 10554, Welfare and Institutions Code.

<b>22-070</b>	<b>EXPLANATION OF RIGHT TO STATE HEARING</b>	<b>22-070</b>
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- .1 At the time of application, the county agency shall provide the applicant with the following:
- .11 A thorough explanation of the right to request a state hearing.
  - .12 Pamphlet PUB 13 (1/98), "Your Rights Under California Welfare Programs," prepared by the Department concerning client rights, complaints and state hearings.
- .2 The county shall also provide the explanation required in Sections 22-070.11 when a claimant makes an informal complaint with the county agency.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553 and 10554, Welfare and Institutions Code.

22-071	ADEQUATE NOTICE	22-071
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- .1 Except as provided in Section 22-071.2, the county shall give the claimant adequate notice as defined in Section 22-001a.(1) in the following instances:
  - .11 When aid is granted or increased.
  - .12 Section 22-071.12(MR) shall become inoperative and Section 22-071.12(QR) shall become operative in a county on the date Quarterly Reporting/Prospective Budgeting (QR/PB) becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When aid is denied, decreased, suspended, cancelled, discontinued, or terminated.

(QR) When aid is denied, decreased, not changed following a recipient mid-quarter report, cancelled, or discontinued. When aid is not changed due to a voluntary recipient mid-quarter report, the notice shall be sent as soon as administratively possible but no later than thirty days from the date the voluntary report is made.
  - .121 A decrease shall include an overpayment adjustment and balancing.
  - .13 When the county demands repayment of an overpayment or a food stamp overissuance.
  - .14 When the county takes action after the claimant has conditionally withdrawn a request for a state hearing (see Section 22-054).
  - .15 When a food stamp application is pended (see Section 63-504.24).
  - .16 When the county determines that immediate need does not exist (see Section 40-129).
  - .17 When the county takes action regarding compliance related issues resulting from state hearing decisions (see Sections 22-001c.(3) and 22-078).
  - .18 When the county takes action to change the manner or form of payment to a protective or vendor payment.
  - .19 When the county demands repayment of an overpayment from a Transitional Child Care provider.
- .2 The adequate notice requirement is not applicable to certain actions involving Social Services (Division 30) and Food Stamps (MPP Section 63-504.266).
- .3 In all cases, the notice shall be prepared on approved Department forms or a county substitution which has been approved by the California Department of Social Services, including but not limited to a county-developed computer equivalent.
- .4 The notice shall be prepared in clear, nontechnical language.

**22-305      GENERAL PROVISIONS**  
(Continued)

**22-305**

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- (a)      To determine what constitutes an IPV, CDSS recognizes a distinction in the following:

- (1)      Handbook Section 22-305.422(a)(1)(MR) shall become inoperative and Handbook Section 22-305.422(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Intentional concealment or willful misrepresentation which may result in an IPV.

- (MR)    EXAMPLE: In completing the Monthly Eligibility Reports (CA 7), respondent checks the box indicating family has no income. Respondent also checks box indicating that no one had started employment that month. County evidence indicates respondent did start work during the month it was reported that no one had started work. Respondent also did receive earnings in each of the months under review.

- (QR)    EXAMPLE: In completing the Quarterly Eligibility Report (QR 7), respondent checks the box indicating the family has no income. Respondent also checks box indicating that no one had started employment in the QR 7 Reporting Period. County evidence indicates respondent did start work during the QR Data Month, but it was reported that no one had started work. Respondent also did receive earnings in each of the months under review.

- (2)      Handbook Section 22-305.422(a)(2)(MR) shall become inoperative and Handbook Section 22-305.422(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Incorrect representation, negligence, or omissions because of a mistake or a lack of understanding of eligibility requirements which do not result in an IPV.

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**22-305 GENERAL PROVISIONS**  
(Continued)

**22-305**

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**HANDBOOK CONTINUES**

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(MR) EXAMPLE: Respondent reports that he/she began employment the last week of the reporting month, and that he/she will be paid every two weeks. Respondent completes the next CA 7 and checks the: "No" box for income received in the month.

(QR) EXAMPLE: Respondent reports on the QR 7 that he/she began employment the last week of the Data Month, and that he/she will be paid every two weeks. Respondent completes a subsequent QR 7 and checks the "No" box for income received in the month.

(3) Handbook Section 22-305.422(a)(3)(MR) shall become inoperative and Handbook Section 22-305.422(a)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

The CWD's omission, neglect, or error in explaining requirements for assistance or in processing information, which does not result in an IPV.

(MR) EXAMPLE: Respondent completes CA 7 without answering question relating to household's receipt of income during the month. Respondent does this for five months and CWD fails to return the CA 7 as incomplete. Evidence establishes respondent had income in each of these months.

(QR) EXAMPLE: Respondent completes QR 7 without answering question relating to household's receipt of income during the Data Month. Respondent does this for two quarters and the county fails to return the QR 7 as incomplete. Evidence establishes respondent had income during the Data Month.

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